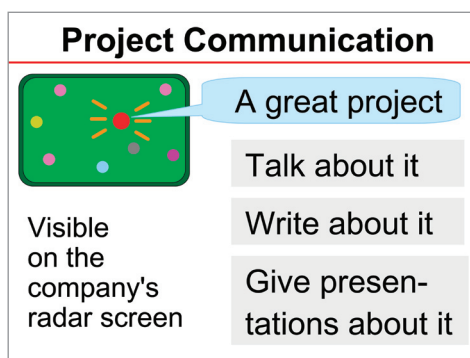


BECOMING MORE RESOURCEFUL

What you do is important. What you do matters. Your aim is to put your project clearly on the company map, to put it at the top of the list of projects. How do you transform your project into a high priority project ? You start by working with what you have, with where you are. Necessity is the mother of invention. Use the techniques in this section to help you spell out what you need and get it.

Communicate your project



You need to sell your project internally.

Talk about your project, write about your project, give presentations about your project! Sell the study as a golden business opportunity - one that should not be missed. Make it clear to the internal stakeholders that your project:

- will strengthen the company's competitive advantage
- will add commercial value
- will help the company win in the market place.

Try to avoid formal 'steering committees' or 'advisory boards'; you won't be able to control them and they can actually slow you down.

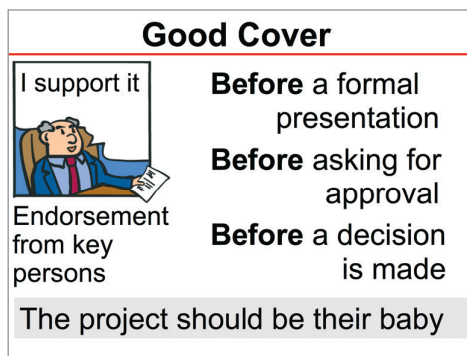
Ensure sufficient resources



You need to secure adequate resources in your company. Without enough resources, your plans are doomed from the start. Think big when you are assessing the money and people needed to implement your project. Remember to plan for contingencies. Don't be tempted to cut financial corners. Remember 'Better to ask for too much than for too little'.

You may find a particular frame of mind useful when asking for sufficient resources. Consider yourself going on a fundraising drive to generate appropriate funds for your team.

Seek out support from key persons



Before seeking official approval, try to build informal acceptance or consent from influential key players in your organization (for example from selected senior executives or members of top management). Early personal buy-in from the top of the organization will increase the likelihood of getting a subsequent positive decision when you give your formal presentation in front of the committee.


Ask them for a very short meeting on a one-to-one basis. Pin them down to a conversation.

Ask them for their advice. Try to follow their recommendations. Incorporate their suggestions into your presentation because they will then be likely to defend them during the meeting when questioned. Give each of them the feeling that this project is also 'their baby'.

Play the numbers game

The Numbers Game

What will unlock the door?



The prospect of

- more sales
- more profit

.. Million
Euro

You need numbers

Fundraising time! What is it that unlocks the door to the decision makers? What gets you over the tough hurdle of securing additional resources? The prospect of more sales and more profit. You need to play the numbers game. Take time to develop your mathematical forecast model, then test it using various sets of assumptions and numbers until you have perfected it. Talk to the controllers in the finance department to make sure that your figures have covered all bases.

Leverage the investment in clinical development

Capitalizing on the Foundation

We can build on the excellent ground work that our medical colleagues have laid

Sunk Costs

Sunk Costs

Sunk Costs

Sunk Costs

Remember that past trial costs do not enter into your financial equation. These 'sunk costs' can never be recovered and therefore have no influence on the actual decision (contrary to the opinion some people in your organization may have). So, when you estimate the commercial value of your project, be sure that these sunk costs do not enter your mathematical forecast model. Run your financial model on future costs only.

You may wish to acknowledge that you can capitalize on the solid foundations that your colleagues in the clinical development department have constructed. This groundwork is made up of the contacts the clinical development teams have established with the investigators, patient advocacy groups, opinion leaders, scientific societies, and so on. Their network will prove very valuable in your marketing activities. Thus, you are cashing in on the investments that your company has already made.

Spell out your assumptions

Your Assumptions

- Company spent 5 million Euro on the trial
- Annual product sales are 10 million Euro
- Your Marketing Budget is 1 million Euro

Your estimate: With an additional 1 million Euro for one year in your Marketing Budget you could improve sales by

- 20% during the first year and by
- 10% during the second year

Worthwhile investment?

The example illustrates how you could develop your financial forecast model in a spreadsheet.

Let's assume the following numbers:

- your company has spent 5 million Euros on the trial ('sunk costs')
- the annual sales of your product are 10 million Euros
- your annual marketing budget is 1 million Euros.

You estimate that – with an additional one million Euros for one year in your marketing

budget – you will improve sales by 20% during the first year and by 10% during the second year.

The question: how can you back up your claims and show that the additional investment will indeed be worthwhile?

Develop comparative scenarios

Comparative Scenarios (Mill Euro)

I Same	2006	2007	Sum
Marketing Budget	1	1	2
Revenue Forecast	10	10	20
II Increase	2006	2007	Sum
Marketing Budget	2	1	3
Revenue Forecast	12	11	23

Increase revenue by 20% in 1st and by 10% in 2nd year

Create alternative economic forecast scenarios on your computer. The illustration shows a spreadsheet with two alternative forecasts called 'same' and 'increase' with different resulting outcomes. Develop your own mathematical model in an electronic spreadsheet. Choose your criteria and lay out the pertinent numbers in rows and columns. Run the model with various numbers to see what sort of output results you generate for the bottom line.

Highlight the project's commercial value

The Right Conclusion

Increase marketing budget by **1 million Euro**
and increase revenue by **3 million Euro**
=

By spending an additional **1 million Euro**
you get additional sales of **3 million Euro**

Certainly a worthwhile investment!

The project is worth funding

Increasing the marketing budget by one million Euros results in a three million Euro increase in revenue. In other words, in this example, spending an additional one million Euros yields additional sales of three million Euros. (Note: the increase in variable costs, for example production, is considered negligible). Thus you demonstrate the project's profit potential. The conclusion that the increase in the marketing budget would be a worthwhile investment, is compelling.

Ask for the budget

Asking for the Budget



A
worthwhile
investment

Ask for
the money

Your project
is worth it

Go for it

Ask for the full resources you need. Be courageous and ask for the money. Your project is worth it. Avoid the risk of getting an inappropriately low budget approved, only to exceed your expenses later on. Ensure an adequate budget for your activities before you start.

This approach avoids the unpleasant situation whereby your boss asks you a year later 'Then, why didn't you ask for more money?'

Use your budget

Spending the Money



Controllers

Once the budget is approved, spend it!

Beware a subsequent budget cut

Once your budget is approved, be ready to spend it. Or at least to allocate it firmly.

Beware a subsequent budget cut that may claw back resources and compromise your marketing activities.

So prevent the controllers from taking your money away.